

Harbor Ridge Utilities, Inc.

Rider NPDES Information Sheet

Recovery of Certain Fees Paid
Under Section 12.5 of the Illinois Environmental Protection Act

III. C. C. No. 1
Original Informational Sheet No. 2 Supplemental to Sheet Nos. 12 & 13

Effective with Bills Sent During November 2003 and Concluding with Bills Sent During June 2004.

Line No.	Description (a)	Amount (b)
1	Number of sewer customers on November 1, 2003.	295
2	Number of bills that each customer included on line 1 will receive during the Recovery Period.	8
3	Annual bills (multiply the number on line 1 times the number on line 2).	2,360
4	Annual interest rate as established by the Commission	
5	pursuant to 83 Ill. Adm. Code 280.70(e)(1).	1.50%
6	NPDES Fee paid	\$ 1,500.00
7	Interest (multiply the amount on line 6 by the annual rate on line 5	
8	and divide the resulting product by 2).	\$ 11.25
9	Total to be recovered (sum of lines 6 and 8)	\$ 1,511.25
10	NPDES Charge (divide the amount on line 9 by the number on line 3).	\$ 0.64

Harbor Ridge Utilities, Inc.

2335 Sanders Road
Northbrook, IL 60062

November 3, 2003

Dear Customer:

The following is a notice of an increase in your monthly bill
as a result of changes in Illinois law:

Effective July 1, 2003, Public Act 93-32 mandates that the Illinois Environmental Protection Agency ("IEPA") collect fees for National Pollution Discharge Elimination System ("NPDES") permits. The IEPA requires that sewer utilities in Illinois pay these fees. Harbor Ridge Utilities, Inc. will file a 45-day notice of rate change with the Illinois Commerce Commission ("ICC") so that this increase in operating expenses can be passed through to the utility's customers.

The proposed amount recovered per bill cycle from each customer has been set at \$.64. Please reference the attached Rider NPDES Information Sheet to see the calculation of this amount.

Very truly yours,

Steven W. Dihel
Regulatory Accountant

RIDER NPDES
RECOVERY OF CERTAIN FEES PAID
UNDER SECTION 12.5 OF THE ILLINOIS ENVIRONMENTAL PROTECTION ACT

Purpose of Rider:

The charges calculated under this Rider shall recover National Pollution Discharge Elimination System permit ("NPDES") fees paid by the Company pursuant to the provisions of subdivision (e)(1) of Section 12.5 of the Illinois Environmental Protection Act [415 ILCS 5/12.5].

Applicability:

The charges calculated under this Rider shall be applicable to each customer billed by the Company for sewer service.

Determination of Charge:

The charges for all customers subject to this Rider shall be determined according to the following formula:

$$\text{NPDES Charge} = \frac{\text{NPDES Fee} + \text{Fi}}{\text{C} \times \text{B}}$$

Where:

NPDES Charge	=	The amount per customer to be charged as calculated in this Rider.
NPDES Fee	=	The Fee paid or to be paid, as identified in subdivision (e)(1) of Section 12.5 of the Illinois Environmental Protection Act, by the Company during the calendar year of the Filing Month, but shall not include any penalties or interest for late payments.
Fi	=	Interest associated with the NPDES Fee. Interest shall be calculated for the NPDES Fee paid by the Company. The interest calculation shall utilize the interest rate as established by the Illinois Commerce Commission (Commission) under 83 Ill. Adm. Code 280.70(e)(1).
C	=	The number of Customers receiving sewer service from the Company on the first day of the Filing Month; except that, for the calculation of the initial NPDES Charge, C shall equal the number of Customers receiving sewer service from the Company at the time of the filing of this Rider.
B	=	The number of bills each customer will receive during the Recovery Period for sewer service; except that, for the calculation of the initial NPDES Charge, B shall equal the

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number of Bills each customer will receive beginning on the effective date of this Rider through the end of the following June.

Definitions:

Filing Month = The calendar month of June, during which the Company will file with the Commission an information sheet showing the calculation of the NPDES Charge for the Recovery Period.

Recovery Period = The twelve months following the Filing Month.

Calculation of NPDES Charge:

To calculate the initial NPDES Charge, the Company shall identify the amount of any fees paid by the Company during the calendar year pursuant to subdivision (e)(1) of Section 12.5 of the Illinois Environmental Protection Act. The amounts paid, excluding any penalties or interest for late payments, and all associated interest as calculated according to Factor Fi pursuant to this Rider, shall be divided by the number obtained by multiplying the number of customers receiving sewer service from the Company at the time of the filing of this Rider by the number of bills each customer will receive beginning with the effective date of this Rider through the end of the following June.

To calculate all subsequent NPDES Charges, the Company shall identify the amount of any fees paid by the Company during the calendar year pursuant to subdivision (e)(1) of Section 12.5 of the Act. The amounts paid, excluding any penalties or interest for late payments, and all associated interest as calculated according to Factor Fi pursuant to this Rider, shall be divided by the number obtained by multiplying the number of customers receiving sewer service from the Company on the first day of the Filing Month by the number of bills each customer will receive during the Recovery Period.

Should the amount of the NPDES Fee or the due date for its payment change subsequent to the effective date of this Rider, appropriate changes shall be made to the calculation of the NPDES Charge to reflect the substance of those changes.

Information Sheet:

The Company shall file with the Commission an information sheet, in the form of Attachment A, showing the calculation of the NPDES Charge to be recovered during the Recovery Period. This information sheet shall be filed on or before the 20th day of the Filing Month.

Implementation:

The NPDES Charge under Rider NPDES shall be presented as a separate line item on the customer bills.